

Community Development Household Survey

Summary

In April and May 2004, a survey was administered to Seattle residents as a way of gathering information about the needs and priorities of low-income people. More than 5,000 surveys were distributed throughout Seattle. Over one thousand of the 5,000 surveys distributed were completed and returned — a 20 percent return rate.

Although the survey was not scientifically administered, it was distributed very broadly throughout low- and moderate-income neighborhoods likely to benefit from Community Development Block Grant (CDBG) funds and the survey questions were derived from studies and surveys done in other communities. The survey data are intended to supplement the national and local data being assembled to describe Seattle's people and their housing and community development needs.

The survey was unique in that its purpose was to reach out to multiple constituencies, especially low-income residents who could comment on their day-to-day challenges and whose input is not typically sought or heard in city planning processes. Staff and volunteers distributed the survey at a variety of community locations including formal and informal settings where people naturally gather such as community centers, barber shops, churches, and at affordable housing residences. Additionally, surveys were mailed to low-income households participating in the City's Utility Rate Assistance program.

Although an attempt was made to distribute translated surveys in Vietnamese, Cambodian, and Spanish, the late timing of distribution led to a low response rate (less than 1%). Some surveys were orally administered in other languages such as Spanish, Vietnamese and Chinese so limited English-speaking residents represent some of the respondents.

Survey Instrument

The Community Development Household Survey asked questions about hardships experienced by low/moderate-income households, the fragility of these households, and residents' perspective on their neighborhood conditions and infrastructure. The survey results attempt to paint a picture of what hardships low-income people face, what services they need to get by or get ahead and what activities they believe should be funded by Community Development Block Grant funds.

A copy of the survey instrument and a complete summary report of the survey results are included in Appendix E, Seattle Community Development Household Survey Report.

Definitions

The following provides definitions and context for understanding the survey results and other sections of the needs assessment.

The Department of Housing and Urban Development (HUD) defines low- and moderate-income people by household size and household income. Very low-, low- and moderate-income levels are based on a percentage of income compared to the Area Median Income. For the Seattle-Bellevue-Everett Primary Metropolitan Statistical Area, the Area Median Income (“AMI”) range in 2004 is between \$65,800 and \$71,900.

The following table provides some context for the income ranges of the low- and moderate-income by looking at a one-person and four-person household:

	Very Low (0-30% of AMI)	Low (31-50% of AMI)	Moderate (51-80%)
1-person household	\$13,800 to \$16,350	\$23,050-\$27,250	\$35,150-\$40,250
4-person household	\$19,750 to \$23,350	\$32,900-\$38,950	\$50,200-\$57,500

A complete table of the HUD income chart by household size and income for the Seattle metropolitan area is in Appendix F, 2004 HUD Income Guidelines.

The survey instrument asked questions about household size and income that best approximated the HUD income guidelines in order to compile a specific analysis on the households by very low-, low- and moderate-income.

Profile of the Survey Respondents - Key Characteristics

Complete data on the profile of survey respondents is in Appendix E, Community Development Household Survey.

- Eighty-five percent of the respondents resided in six neighborhoods: Rainier Valley, Capitol Hill/First Hill, Downtown/Belltown, Central Area, South Park/Delridge and Beacon Hill; These neighborhoods have the highest proportion of low- and moderate-income households in Seattle;
- Almost half of the respondents (47%) lived in affordable housing residences;
- Fifty-nine (59%) percent were very low-income (0-30% of AMI), 17% were low-income (31-50% of AMI), and 12% were moderate-income (51-80% of AMI); Twelve percent (12%) did not respond to the income or household size question or were unknown;
- Four in ten respondents were single households;
- Race/ethnicity breakdown: 32% were White Non-Hispanic, 25% were Black/African American, and 22% were Asian/Pacific Islander.

Employment Status of Survey Respondents

- Over half (53%) of all the respondents were working full-time or part-time;
- Nineteen percent of very low-income residents were working full-time which increases to 64% for low-income residents and 74% for moderate-income residents;
- About 12% of the residents were retired;
- Twenty three percent were unemployed;
- Almost a third (32%) of the very low-income residents was unemployed versus 6% of the moderate-income and 8% of the low-income (31-50%) residents.

Key Findings from the Survey

The following is a summary of the key findings of the Community Development Household Survey. A more detailed discussion of each finding and the survey results follow.

Finding 1:

Low- and moderate-income residents experience economic, nutrition, health or housing hardships at an alarming rate.

- Seven in ten very low- and low-income respondents experienced incidence of hardship in more than one area;
- Three in ten very low- and low-income respondents experienced hardships in all four areas above while one in five moderate-income residents experienced all four hardships;
- A majority (58%) of all respondents indicated experiencing some type of economic hardship over the last year;
- Low-income residents indicated a slightly higher incidence of economic and health hardships but fewer hardships in housing and health than very low-income residents; and moderate-income residents (51-80%) experienced less incidence of hardship than the very low- and low-income residents; This suggests that as people get more income, they take care of their food and housing needs first.

Finding 2:

Low- and moderate-income residents are one crisis away from severe hardships.

- Seventy-four percent of surveyed residents indicated that they would not be able to survive a major loss of income for more than two months;
- While incidence of economic, nutrition, health, and housing hardships generally decline with increased income, moderate-income respondents still struggle to meet their basic needs of food, shelter, and transportation. Over half (56%) have less than \$100 left per month after paying for basic necessities and almost seven in ten (68%) would not be able to survive a significant income loss for more than two months;
- Almost half of the surveyed residents reported that they had no money left each month after paying for basic expenses such as food, housing and household expenses; and
- Half said they had to go more deeply into debt just to cover the basics.

Finding 3:

Working full-time does not necessarily guarantee economic stability or mobility.

- Of the very low-income respondents working full time, 82% would not be able to survive more than two months if they sustained a significant loss of income and almost half (46%) did not have health insurance;

- Of the low-income respondents working full-time, almost eight in ten would not be able to survive more than two months in the event of a significant loss of income and almost half (49%) indicated their debt had increased over the last year in part to cover household expenses; and
- Moderate-income residents working full-time still have hardships; Thirty-five percent indicated falling behind on their rent in the last twelve months and 72% indicated that they would not be able to survive more than two months in the event of a significant loss of income.

Meeting Basic Needs

Finding 1: Low and moderate-income residents experience economic, nutrition, health or housing hardships at an alarming rate.

A growing body of national research documents that low-income people, including many who work, have difficulty meeting their basic needs, which include food, health insurance and shelter. Locally, as shown in the results of the Community Development Household Survey, many low- and moderate-income people live on the edge of poverty and have to make the difficult choice between falling behind on the utility bill or rent. Often times, this might lead to more difficult choices between buying food or paying rent.

High incidence of economic, nutrition, health, and housing hardships have significant consequences on those affected by these day-to-day struggles. Expenses to meet basic needs continue to rise while fixed income from public sources and compensation from work have not increased at the same rate. This economic insecurity creates hardship and anxiety among many of the low-income population for whom a safe and decent standard of living is out of reach.

There are other consequences as well. Food insecurity and hardships lead to poor health for seniors who are at-risk for health complications; pregnant women who are more likely to deliver low birth weight babies; and youngsters who are sick more often, hospitalized more frequently, and are less prepared to learn when they attend school.¹

Health hardships such as the postponement of health care can have serious financial consequences. This can lead to a small health problem developing into a major health crisis. One recent study documents that the uninsured are likely to receive about half the amount of care that insured patients do.² Across the state, rising medical bills have fueled an increase in personal bankruptcies.³

The Community Development Household survey asked questions to determine the fragility of and the challenges faced by low-income households in Seattle. The survey asked residents to respond to questions about economic, health, nutrition, and housing hardships experienced by the person responding or immediate family members during the last twelve months.

¹“The Consequences of Hunger and Food Insecurity for Children: Evidence from Recent Scientific Studies,” Center on Hunger and Poverty, Heller School for Social Policy and Management, Brandeis University, June 2002.

²Hadley, Jack, and Holahan, John. Health Affairs: The Policy Journal of the Health Sphere, The Uninsured: Paying for Care Web Exclusive, February 12, 2003, “How Much Medical Care do the Uninsured Use and Who Pays for It?” <http://content.healthaffairs.org/cgi/content/full/hlthaff.w3.66v1/DC1>, accessed April 12, 2004.

³ Heckman, Candace, “Rising Medical Bills Fuel Increase in Bankruptcies Across the State.” *Seattle Post-Intelligencer*, June 27, 2004.

The following were the categories individuals could mark:

Economic Hardships	Health Hardships
• loss of job	• not gotten or postponed medical care/surgery
• reduced wages/tips/hours	• inability to fill a prescription,
• unemployment benefits running out	• went to an emergency room for primary medical care
• cutting back on school supplies/clothing	
Nutrition Hardships	Housing Hardships
• went hungry	• fell behind on rent/mortgage
• received meals from family and friends	• utilities turned off
• used meal program or food bank	• moved in with others
	• stayed at a shelter

The following table illustrates the percentage of residents and their immediate family members who experienced at least one hardship in the four categories and all four hardships over the last year:

Type of Hardship	Survey Respondents by Income Group			
	Very Low (0-30%)	Low (31-50%)	Moderate (51-80%)	All
Economic hardship	66%	71%	66%	66%
Health hardship	60%	62%	58%	58%
Nutritional hardship	63%	48%	36%	54%
Housing hardship	49%	46%	43%	47%
All four hardships	29%	31%	20%	27%

Overall, the incidence of hardship among the survey respondents is extremely high, particularly for very low-income residents. There is a drop off in the incidence of nutrition and housing hardships with increased income but more than half of all respondents by all income categories experienced economic and health hardships.

Averting a Major Crisis

Finding 2: Low- and moderate-income residents are one crisis away from severe hardships.

For most low- and moderate-income households, income assets are rooted in employment that provides the cash and benefits that cover day-to-day needs, ideally with a cushion in the positive balance of funds to build savings. However, in today's economy, the earned income of low-wage workers often is not enough to sustain many families at even a minimum standard of well-being.⁴

In the event of a significant loss of income, it is recommended to have reserves of anywhere from three to six months to cover a loss of job, unexpected travel, or a car breakdown. For many of the working poor, one missed bus, one stalled engine, one sick child can mean the difference between subsistence and setting off financial shockwaves of disconnected telephones and significant emergency room bills that can bury them in a mountain of debt.⁵

Survey respondents were asked to comment on how much money they had left over after paying for their basic necessities and how long they would be able to survive a major crisis in the event of a significant loss of income.

The following table highlights the amount of money residents had each month after paying for basic necessities:

Income Leftover	Very Low (0-30%)	Low (31-50%)	Moderate (51-80%)	All
	N=639	N=187	N=125	N=1077
Nothing Left	57%	32%	34%	47%
\$100	22%	33%	22%	24%
\$200	10%	14%	14%	11%
\$300	4%	11%	12%	6%
\$400 or more	4%	8%	16%	8%
Undisclosed	3%	3%	3%	4%
Totals	100%	100%	100%	100%

- Almost half (47%) of the surveyed residents reported that they had no money left after paying for basic expenses such as food, housing and household expenses. This affected those in all income brackets, but particularly the very low-income residents.
- Forty-two percent of moderate-income respondents had at least \$200 remaining after paying bills while only 18% of very low-income respondents had at least \$200

⁴ Beeferman, Larry. *The Asset Index: Assessing the Progress of States in Promoting Economic Security and Opportunity*, Asset Development Institute: Center on Hunger and Poverty, The Heller School of Social Policy and Management, Brandeis University, September 2002

⁵ "Working...and Poor," *Business Week*, May 31, 2004, p. 61.

remaining after paying their bills. This would translate into potential savings of \$2,400 annually, for those few who managed to save.

The following table highlights the length of time residents indicated they could survive if they suffered a major income loss:

Number of Months	Very Low (0-30%)	Low (31-50%)	Moderate (51-80%)	All
	N=639	N=187	N=125	N=1077
0 Months	56%	30%	34%	47%
1 to 2	23%	43%	34%	27%
3 to 4	6%	12%	16%	9%
5 to 6	3%	6%	1%	4%
7 to 8	1%	1%	2%	2%
9 months or more	4%	4%	6%	6%
Undisclosed	7%	3%	6%	7%
Totals	100%	99%	99%	102%

Note: The totals do not all sum to 100% due to rounding figures to the nearest whole percentage.

- Of all the respondents, only one in four indicate they could survive more than three months in the event of a significant income loss.
- Over half (56%) of the very low-income residents would not be able to survive even one month.
- Moderate-income residents have slightly more resources to fall back on, with one in four indicating they could survive at least three months.

In addition to having difficulty saving money, the debt level has increased for many residents. Survey respondents were asked to comment on whether their debt level had increased over the last year, in part to pay for basic household expenses that could not be covered by income.

The following table summarizes the responses:

	Very Low (0-30%)	Low (31-50%)	Moderate (51-80%)	All
	N=639	N=187	N=125	N=1077
Debt Level Increased	48%	49%	46%	46%
Debt Level Did Not Increase	22%	34%	33%	27%
Don't know	24%	12%	17%	21%
Undisclosed	6%	5%	5%	6%
Totals	100%	100%	101%	100%

Note: The totals do not all sum to 100% due to rounding figures to the nearest whole percentage.

- Almost half (46%) of respondents indicate that their debt increased over the last twelve months. This is consistent across all income groups.
- One in five did not know whether their debt had increased.

Building Assets and Wealth

Finding 3: Working full-time does not necessarily guarantee economic stability or mobility.

In general, low- and moderate-income residents in Seattle are unable to save, don't have resources to fall back on in the event of an emergency, and are going into debt.

As noted above in Finding 2, low- and moderate-income residents struggle to meet their basic needs and have little resources available to avert a major income loss. This is true when analyzing the subset of individuals who were working full-time. Although the hardships by income category are generally lower for those who are not working full-time, the incidence of debt and lack of savings remains extremely high across all income groups.

- Of the very low-income respondents working full time, 82% would not be able to survive more than two months and almost half (46%) did not have health insurance.
- Of the low-income respondents working full time, almost eight in ten would not be able to survive more than two months in the event of a significant loss of income and almost half (49%) indicated their debt had increased over the last year in part to cover household expenses.
- Moderate-income residents working full-time still have hardships. Thirty-five percent indicated falling behind on their rent in the last twelve months and 72% indicated that they would not be able to survive more than two months in the event of a significant loss of income.

For those who are able to save, the rate of savings may not be sufficient to match the escalating prices of homes for those low- and moderate-income households that aspire to homeownership. Homeownership can represent an important part of the asset equation because home equity can be used to leverage funds to survive a crisis such as illness or unemployment or to help individuals get ahead by allowing them to obtain additional educational and training either for themselves or for their children. This is particularly true for lower income households.⁶

As noted in Finding 1, many low- and moderate-income residents have fallen behind on their rent or had their utilities shut off, which can have an adverse affect on their credit history. This typically leads to higher interest rates on prospective loans for an automobile or home, making it even more difficult for residents to gain economic security, get ahead and build assets.

⁶ "The High Cost of Being Poor: Another Perspective on Helping Low-Income Families Get By and Get Ahead", The Annie E. Casey Foundation, *Kids Count* 2003, p. 19.

Service Needs of Residents

After responding to questions about their hardships and needs, residents were asked to comment on and prioritize what services they need and what specific types of activities supported by Community Development Block Grant funds should be prioritized.

On priority services, residents were asked the following question:

Of the following types of services, which would best help you and your family get by or get ahead? (Please rank your top three choices, 1 = most important, 2 = second most important, 3 = third most important)

The following table shows the priority rankings of residents by income level (top 5 rankings are shaded):

Type of Services	Very Low (0-30%)	Low (31-50%)	Moderate (51-80%)	All
	Ranking	Ranking	Ranking	Ranking
Health insurance for you and your family	2	1	1	1
Help with rent costs	1	2	3	2
Job Training to get a higher paying job	4	4	3	3
Food bank or food stamp services	3	7	5	4
Help getting good credit or help paying off credit card debt	5	3	2	5
Help with down payment assistance to purchase a home	7	5	2	6
Help getting a car loan, business loan, or house loan	8	6	4	7
Have access to a car	6	8	6	8
Help with child care costs	9	7	5	9
Basic education/ESL classes	10	9	7	10
Other	11	10	8	11

Health insurance and help with rent costs were very closely ranked by very low-income residents. Overall health insurance is the top priority of all the respondents. Job training ranks in the top four for all income groups.

Despite the fact that a majority (58%) of people surveyed had health insurance, health insurance still ranked as the service area that would most allow people to best get by or get ahead. Many of the respondents indicated difficulty paying for prescriptions, resulting from the rising co-payments for their health care and family coverage. Over half (56%) of the uninsured respondents postponed health care or were unable to fill their prescription, versus 36% of the insured respondents.

Health insurance is a significant challenge even for those working full-time, particularly the very low-income residents. Of the very low-income respondents working full-time, almost half

(46%) did not have health insurance. One in five low-income respondents working full-time did not have health insurance.

There are some minor differences in priorities. Low-income and moderate-income residents indicate a desire to get assistance with asset building activities such as paying off credit card debt, assistance in getting good credit, and help with down payment assistance to purchase a home.

Although child care is ranked as a low priority, this is largely due to the large number of single households that responded. An analysis of the survey based on household size indicates that child care is a top five priority for households with two or more people.

Consolidated Plan Service Priority Areas of Residents

Consolidated Plan (Con Plan) funds can be used by the City only to support certain community development activities. For the purposes of the survey, a list was generated to capture the main activities that are currently supported by Con Plan funds.

With regard to Consolidated Plan activities, residents were asked the following question:

The City of Seattle funds community development activities such as the ones listed below. What would you say to City officials and the Mayor are the most important services? Please rank your top five choices, 1 = high importance, 5 = low importance.
(Top 5 rankings are shaded.)

Consolidated Plan Activity	Very Low (0-30%)	Low (31-50%)	Moderate (51-80%)	All
Help people get jobs	1	1	1	1
Building affordable housing	2	2	2	2
Help homeless people get into stable housing	4	3	3	3
Help older adults and disabled people with their housing needs	3	4	5	4
Help with child care costs for working families	6	5	5	5
Help people become first-time homeowners	7	6	4	6
Build and improve health centers, child care centers, and community centers	5	7	6	7
Make loans available to small businesses in low-income neighborhoods	8	8	7	8
Fix up neighborhood parks	9	9	8	9
Improve the look of business storefronts	10	10	9	10

There was little variation across income levels in the Con Plan priority areas that people ranked as most important.

Helping people get jobs and building affordable housing were ranked as the two most important Con Plan activities to survey respondents. Given that about 20% of respondents were

unemployed, the issue of jobs is not surprising. Other areas of importance include helping older adults and disabled people with their housing needs and helping working families with child care costs.

Building and improving community facilities ranks as the fifth most important priority for very low-income residents while helping people become first-time homeowners ranks as a top five priority activity for moderate-income residents.

Conclusion

Low- and moderate-income residents are struggling to get by and get ahead in the current economic climate. Many Seattle residents need higher paying jobs and jobs with benefits to help generate sufficient income. This income from employment provides a critical foundation for individuals and families to meet their basic needs including child care assistance, health insurance and affordable housing, all services and activities that are ranked as high priority for residents. Higher paying jobs with benefits is also the basis for helping individual and families begin to save money, build wealth, and gain economic self-sufficiency and stability.

Over the next four years, the priorities and services stated by the survey respondents should be included in the discussions on how City officials can promote housing, services and programs that better meet the needs of low- and moderate-income residents. In addition, the information should be used in conjunction with the needs assessments completed by other departments receiving CDBG funding to guide policy makers on how to shape, refine and invest in current and future services and activities to address the respondent's needs.

There are no quick or easy fixes to all of the challenges and struggles faced by the low- and moderate-income residents. However, the input received by residents is invaluable and serves as a starting point for policy makers, providers, and advocates to determine how to prioritize resources for current housing and services provided and how to determine what other services should be prioritized by CDBG funding and other funding sources available to support programs for low- and moderate-income residents.